

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of THE COMMONWEALTH OF PUERTO RICO <u>et al.</u> , Debtors. ¹	PROMESA Title III Case No. 17 BK 3283-LTS (Jointly Administered)
In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of PUERTO RICO ELECTRIC POWER AUTHORITY, Debtor.	PROMESA Title III Case No. 17 BK 4780-LTS

**ORDER CONCERNING JOINT STATUS REPORT PURSUANT TO
JANUARY 18, 2023 RULING ORDERING FURTHER STATUS REPORT**

The Court has received and reviewed the *Joint Status Report Pursuant to January 18, 2023 Ruling Ordering Further Status Report* (Docket Entry No. 24820 in Case No. 17-3283 and Docket Entry No. 3871 in Case No. 17-4780) (the “Status Report”), filed by the Puerto Rico Electric Power Authority, the Financial Oversight and Management Board for Puerto Rico, the Puerto Rico Fiscal Agency and Financial Advisory Authority, and Cobra Acquisitions LLC (the

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

“Parties”).² The Court has also reviewed the *Informative Motion of Cobra Acquisitions LLC in Connection with the Order Regarding Cobra Acquisitions LLC’s Motion to Modify Stay Order* (Docket Entry No. 24717 in Case No. 17-3283 and Docket Entry No. 3834 in Case No. 17-4780) (the “Cobra Informative Motion”) and the *Joint Response of the Financial Oversight and Management Board for Puerto Rico, Puerto Rico Electric Power Authority, and Puerto Rico Fiscal Agency and Financial Advisory Authority to the Informative Motion of Cobra Acquisitions LLC in Connection with the Order Regarding Cobra Acquisitions LLC’s Motion to Modify Stay Order* (Docket Entry No. 24793 in Case No. 17-3283 and Docket Entry No. 3857 in Case No. 17-4780) (the “Informative Motion Response”).

The Status Report states that the Parties have agreed to engage in mediation in the coming weeks to seek a consensual resolution of their remaining disputes (Status Report ¶ 23), although the Parties disagree as to whether the first steps of litigating the remaining issues (in particular, the establishment of a litigation schedule) should be stayed. (See Status Report ¶¶ 24-25, 28-29.)

There is little benefit to be realized by modifying the stay of the Administrative Expense Motion solely to establish a litigation schedule that may need to be modified later to account for intervening developments and events. Additionally, the Government Parties are currently negotiating with other parties concerning a further amended plan of adjustment for PREPA (the “Amended Plan”), preparing the Amended Plan for filing, and, thereafter, will be engaged in litigation concerning the Amended Plan and other related issues such as additional disclosures and solicitation that may be required. It is in the best interests of the Parties and of the other stakeholders in PREPA’s Title III case to permit the Government Parties to devote resources, time, and attention to these important matters. Accordingly, the Court hereby orders as follows:

1. The litigation stay of the Administrative Expense Motion will continue through **October 31, 2023**.

2. The Parties are directed to file, by **October 10, 2023, at 5:00 p.m. (Atlantic Standard Time)**, a progress report addressing (i) the status of any administrative appeals in connection with the November 2022 and December 2022 DMs concerning the Second Contract, (ii) a summary of the outstanding unpaid amounts arising from the First and Second Contracts and whether the Government Parties dispute Cobra’s entitlement to these amounts, (iii) an update on the status of the Approved Unpaid Invoices and (iv) whether the parties are actively engaged in mediation to resolve the outstanding issues.

SO ORDERED.

Dated: August 2, 2023

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Status Report.